

The Honorable Christopher M. Alston  
Chapter 7  
Hearing Location: Courtroom 7206, Seattle  
Hearing Date: December 4, 2015  
Hearing Time: 9:30 a.m.  
Response Date: November 27, 2015

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE**

10 In Re: ) Chapter 7  
11 ERIKA PIRZADEH ) No. 13-20573  
12 ) TRUSTEE'S MOTION  
13 ) FOR ORDER AUTHORIZING  
14 ) SETTLEMENT OF CLAIMS  
Debtor. ) AND ALLOWING AND  
 ) DISALLOWING CLAIMS

15 COMES NOW the Chapter 7 Trustee, Ronald G. Brown, and moves this court for an order  
16 authorizing a settlement with Harwood Condominium Association and allowing and disallowing  
17 claims as follows:

## 1. Settlement of Preference Claims with Harwood Condominium Association

19 The Harwood Condominium Association garnished funds from the debtor on unpaid  
20 condominium charges in the sum of \$4,725.04. The debtor amended schedules for the unscheduled  
21 assets and exempted a portion of the garnished funds in the sum of \$2,300.04. The debtor through  
22 her attorney advised the trustee that the debtor had negotiated a settlement of the debtor's exemption  
23 claim with the condominium association in the sum of \$1,150. The trustee sought to collect on the  
24 non-exempted funds in the sum of \$2,425.00 on the basis that the funds received by condominium  
25 association were preference payments and might be avoided under Section 547 of the Bankruptcy  
26 Code. The condominium association disputed the trustee's claims. After negotiations, the trustee  
27 obtained the sum of \$1,200 settlement of the preference claims.

28 MOTION FOR SETTLEMENT OF CLAIMS AND ORDER  
ALLOWING AND DISALLOWING CLAIMS - 1

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Under the criteria in In re A&C Properties, 784 F.2d 1377 (9th Cir., 1986), the court considers a number of factors in determining whether to approve a settlement proposed by a bankruptcy estate, including (1) the probability of success in legal proceedings; (2) the difficulty of collection; (3) the complexity of the legal proceedings and the expense involved; and (4) the interest of creditors. The proposed settlement with the Harwood Condominium Association resolves a dispute, whose resolution may be uncertain if litigation were commenced, without the bankruptcy estate incurring legal costs, recovers funds in an efficient manner, and provides a significant recovery for creditors. The trustee believes that the proposed settlement in this case meets the criteria and is a reasonable settlement.

## 10 || 2. Determination of Creditor Claims

11 The trustee has examined the claims filed in the above named bankruptcy, and categorized  
12 them in accordance with the priorities set forth in 11 U.S.C. Section 726. The trustee will present  
13 a final Order Allowing and Disallowing Claims on the above-referenced date. Any claim objections  
14 by the trustee will be considered by the court at the time set for hearing. Modifications to the order  
15 may be made at the time of the hearing. The trustee's proposed order is as follows:

16 The trustee proposes to allow the following claims. The trustee has examined the claims filed  
17 in the above named bankruptcy, and categorized them in accordance with the priorities set forth in  
18 11 U.S.C. Section 726. The trustee will present a final Order Allowing and Disallowing Claims on  
19 the above-referenced date. Any claim objections by the trustee will be considered by the court at the  
20 time set for hearing. Modifications to the order may be made at the time of the hearing. The trustee's  
21 proposed order is as follows:

22 The trustee proposes to allow the following claims:

## GENERAL UNSECURED CLAIMS

25	Claim No.	Claimant	Amount
26	1	U.S. Department of Education	\$5,555.84

28 MOTION FOR SETTLEMENT OF CLAIMS AND ORDER  
ALLOWING AND DISALLOWING CLAIMS - 2

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## **TOTAL GENERAL UNSECURED CLAIMS**

\$5,555.84

The trustee proposes to disallow the following claim:

2 Harwood Condominium Association Claim has been paid or will be paid by claimant's interest in secured real property.

7 The proposed order is based on a claims register prepared by the Clerk of the Court. If a  
8 claim is not listed on the proposed order, the trustee has not been informed by the Clerk that such  
9 claim has been properly filed with the Court. Unless a claimant asserting an unlisted claim  
10 submits evidence to the trustee prior to the time of hearing that its claim has been properly filed,  
11 such claim will not be allowed or paid. No claim may be allowed by the trustee unless the claim is  
12 properly documented.

Upon entry of an Order of Disbursement, after costs of administration are paid (which cannot yet be estimated) the trustee will pay the claims, by priority of creditor class, in the sequence presented above. The claims in a higher creditor class will be fully satisfied before any payment is made on claims in the following creditor class in priority. If, after the payments of claims in all higher priorities, there are insufficient funds to fully satisfy the claims of the next unpaid creditor class in priority, the claimants in that creditor class will share the remaining funds pro rata.

20 WHEREFORE, the trustee moves this court for the entry of the proposed order  
21 authorizing settlement of the claim with the Harwood Condominium Association and allowing  
22 and disallowing claims, prioritizing said claims in the sequence provided in the Bankruptcy Code.

DATED this 2nd day of November, 2015.

/s/ Ronald G. Brown  
Ronald G. Brown, WSBA #8816  
Chapter 7 Trustee

MOTION FOR SETTLEMENT OF CLAIMS AND ORDER  
ALLOWING AND DISALLOWING CLAIMS - 3

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